GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2812
ANSWERED ON:13.03.2015
ENLISTING OF EARNINGS FROM AGRICULTURE PRODUCE
Birla Shri Om

Will the Minister of FINANCE be pleased to state:

(a) whether Agricultural Produce Marketing Committees (APMCs) have been exempted from taxes and included in the negative list;

(b) if so, the details thereof;

(c) whether APMC of Rajasthan is exempted under different sections on account of the said APMC being charitable trust;

(d) if so, the details thereof;

(e) whether the Government also gives Service tax exemption to APMC by virtue of their being in the negative tax list and if so, the details thereof; and

(f) whether various APMCs including Rajasthan (Kota) served notice for payment of Service Tax, if so, details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (JAYANT SINHA)

(a)& (b): Under the provisions of Income Tax Act, 1961, clause (26AAB) of Section 10 provides that any income of an Agricultural Produce Market Committee or Board constituted under any law for the purpose of regulating the marketing of agricultural produce shall not be included in computing the total income. Further, services relating to agriculture by way of − "services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce," are not leviable to Service Tax under Negative list vide entry (d)
(vii) of section 66D of the Finance Act,1994.

(c) & (d): Services by an entity registered under Section 12AA of the Income Tax Act, 1961 (43 of 1961) by way of charitable activities are exempted under entry (4) of Notification No.25/2012-Service Tax dated 20th June, 2012 of the Finance Act, 1994, or otherwise exempted under the same notification.

(e) As per details given in reply to parts (a) & (b) of the Question.

(f) Information about details of notices served on various APMCs including Rajasthan (Kota) by the respective offices of the Central Board of Excise & Customs (CBEC) in the entire country, for payment of Service Tax, is not maintained centrally.